



MINNESOTA

DAIRY INDUSTRY PROFILE



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www.mda.state.mn.us

MINNESOTA DAIRY INDUSTRY

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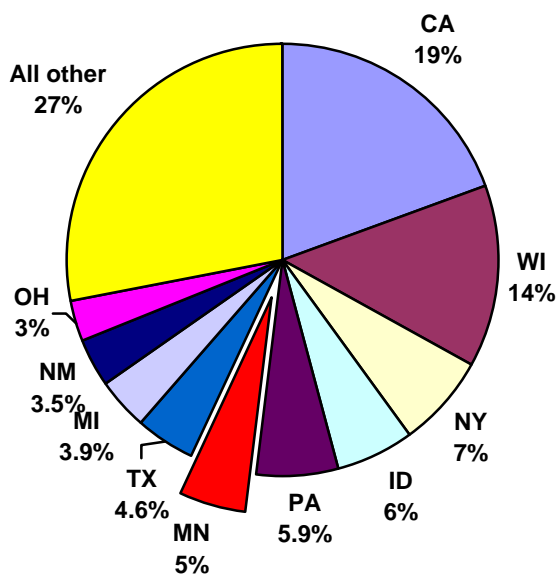


MINNESOTA DAIRY INDUSTRY

National Ranking

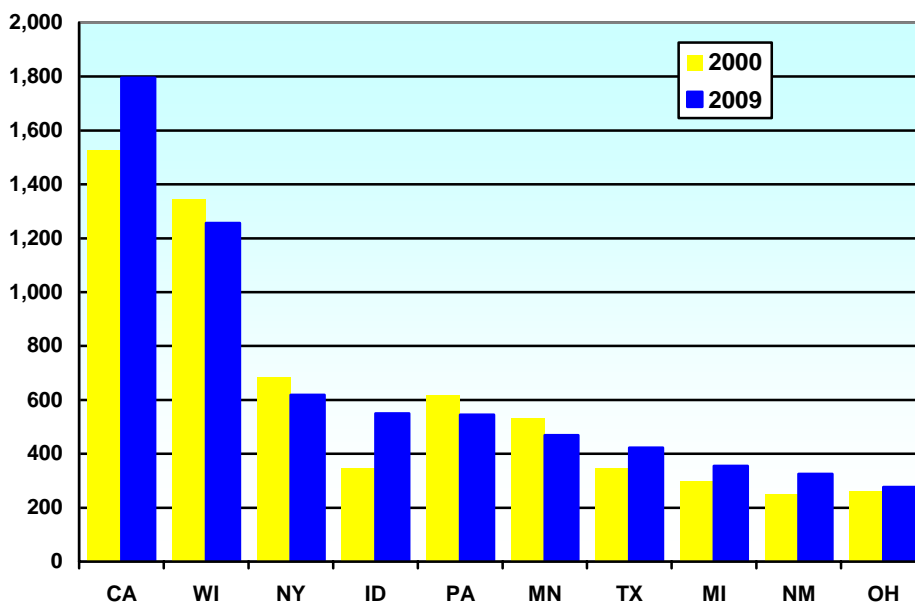
- Minnesota is the 6th largest dairy state in the U.S.
- In 2009, Minnesota had 469,000 head of dairy cows, about 5% of the U.S. total.
- Many large dairy states have seen decreases in cow numbers in the past decades; Minnesota, however, has achieved increases in cow numbers from 2007 to 2009, a three-year consecutive growth after a long period of decline.

U.S. Top 10 Dairy States (2009) – Number of Dairy Cows



Source: USDA, NASS

U.S. Top 10 Dairy States (2000 & 2009 comparison) – 1,000 Head



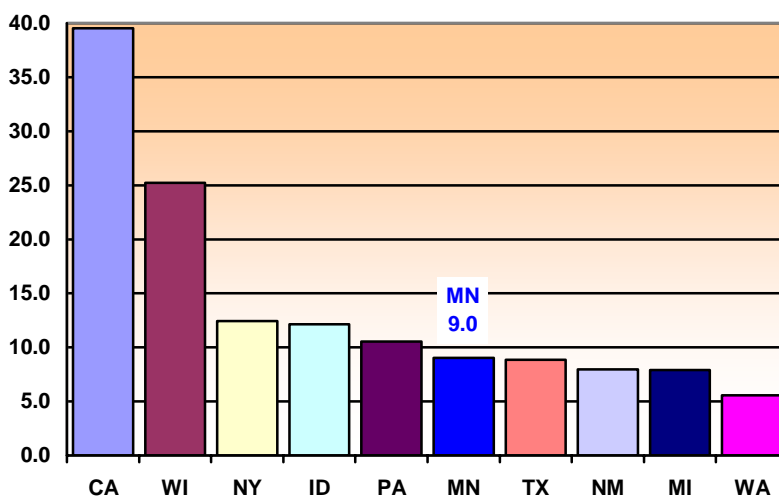
Source: USDA, NASS

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Production Trend

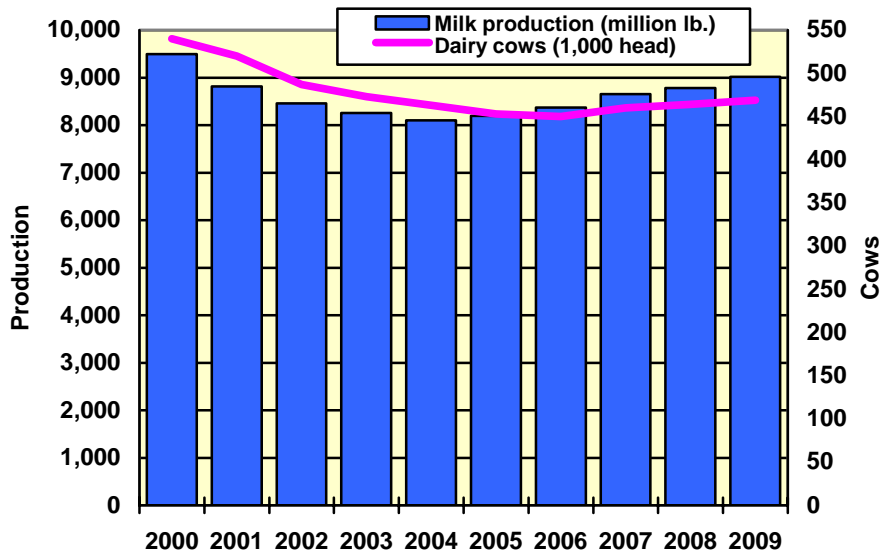
- Minnesota produced 9 billion pounds of milk in 2009, about a 3% increase from 2008.
- After years of decline, the past five years have seen an annual production growth averaging 2%.
- From 2000 to 2009, milk production in Minnesota decreased by 5% while dairy cow numbers decreased by 13%.

U.S. Top 10 Milk Producing States (2009) – Billion Pounds



Source: USDA, NASS

MN Dairy Production and Dairy Cows (2000-2009)



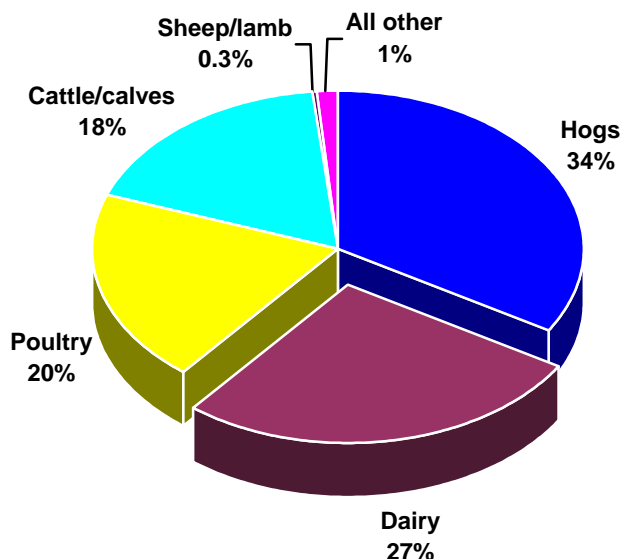
Source: USDA, NASS

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Cash Receipts

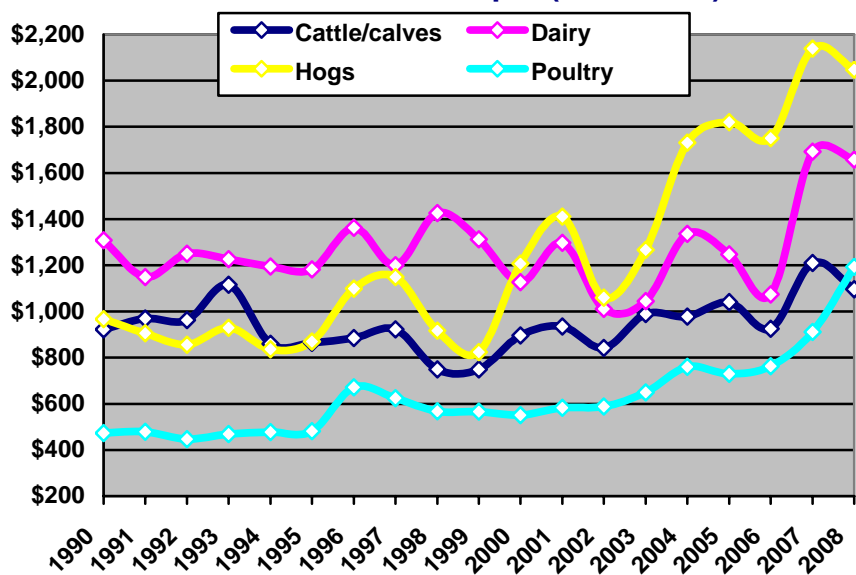
- Dairy is Minnesota's second largest livestock sector (after hogs), contributing 27% of the state's total livestock cash receipts.
- Dairy's cash receipts decreased slightly from 2007 to 2008, from \$1.69 billion to \$1.66 billion, due to decrease in milk prices between 2007 and 2008.
- From 2000 to 2008, dairy marketing achieved an average annual growth rate of 5%.

Minnesota Livestock Cash Receipts by Sector (2008)



Source: USDA, NASS

Minnesota Livestock Cash Receipts (1990-2008) – Million \$



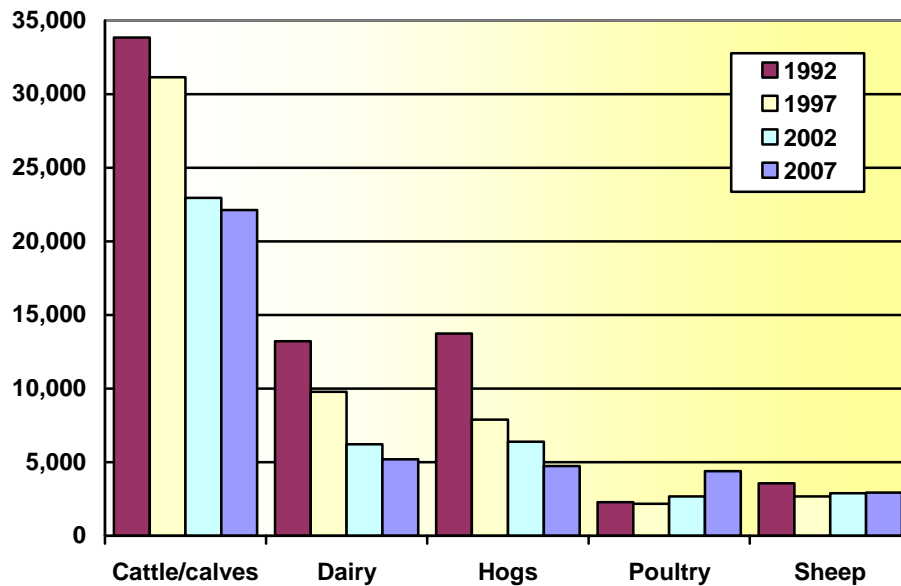
Source: USDA, NASS

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Farm Numbers

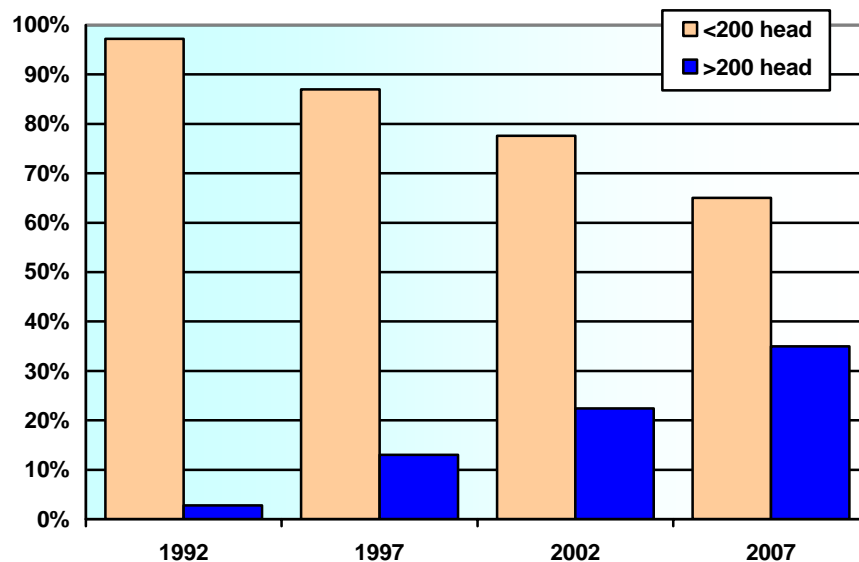
- Farms numbers are decreasing in Minnesota, and livestock and dairy farms are no exception.
- Minnesota has fewer dairy farms today than a decade ago.
- Due to industry consolidation, the average size of dairy farms also increased, from less than 50 cows per farm in 1990 to 90 cows per farm in 2007 (latest data available).

Minnesota Livestock Farms: Change in Numbers



Source: Ag Census

Minnesota Dairy Cow Inventory by Farm Size (% inventory)



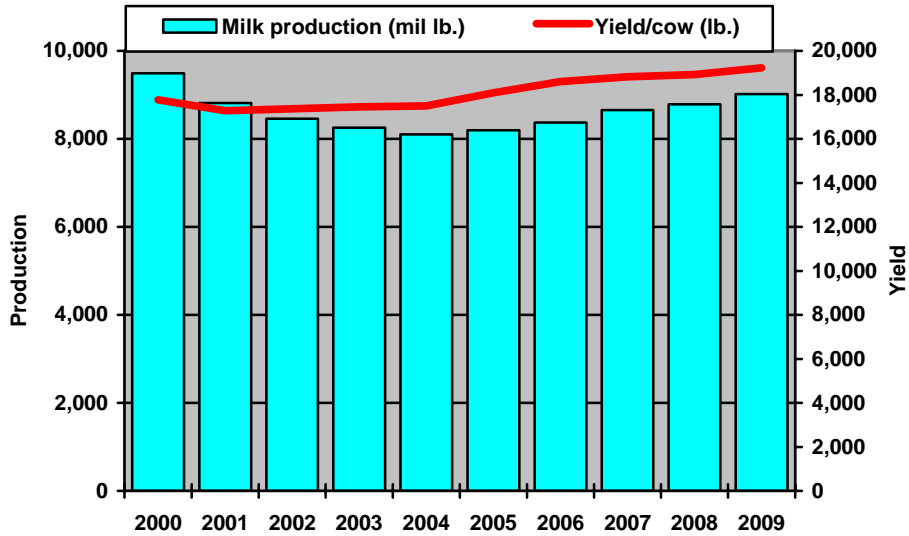
Source: Ag Census

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Milk Yield

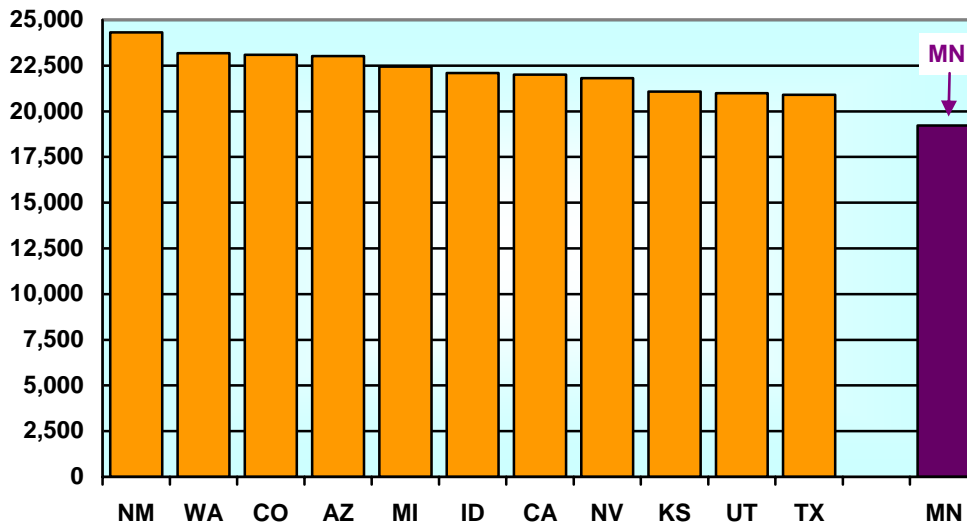
- In Minnesota, milk yield per cow increased by 8% from 2000 to 2009, from 17,777 pounds to 19,230 pounds.
- Minnesota ranks No. 24 in milk yield among U.S. dairy states.

Minnesota Milk Production and Yield (2000-2009)



Source: USDA, NASS

U.S. Top States: Milk Yield (2009) - Pounds



Source: USDA, NASS

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County Ranking

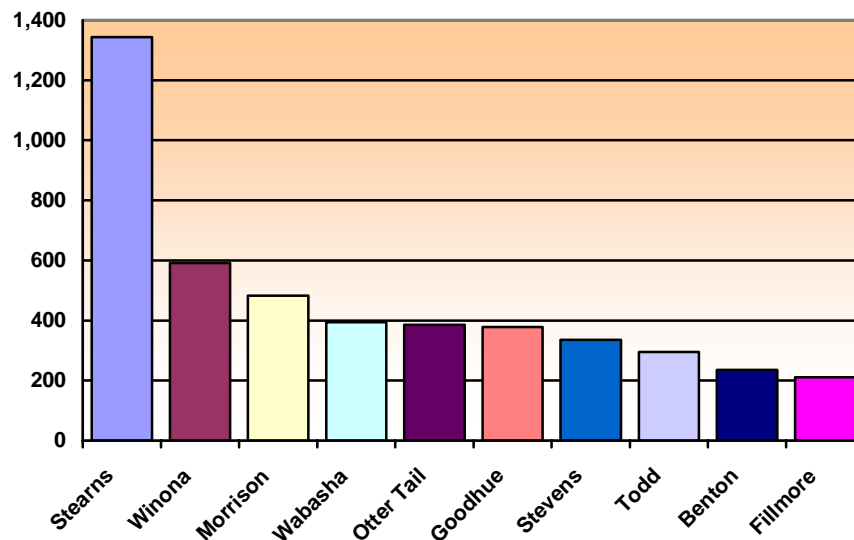
- Stearns County is the largest dairy county in Minnesota, followed by Winona, Morrison, Wabasha, and Otter Tail.
- Among the top 10 dairy counties, Stearns, Morrison, Wabasha, and Stevens are the four counties that achieved production increases from 2000 to 2008. The others had production declines.

Minnesota Top Dairy Counties (2008) – Million Pounds

2008 Rank	County	2008	2007	2006	2005	2000	2000-2008 Change	2000 Rank
1	Stearns	1,343	1,257	1,205	1,155	1,154	16%	1
2	Winona	591	508	489	478	521	13%	3
3	Morrison	483	502	486	479	483	0%	4
4	Wabasha	394	354	337	325	379	4%	6
5	Otter Tail	386	426	410	409	528	-27%	2
6	Goodhue	378	388	382	377	467	-19%	5
7	Stevens	336	295	200	151	43	681%	47
8	Todd	295	290	296	294	357	-17%	7
9	Benton	235	210	213	209	244	-4%	11
10	Fillmore	211	233	221	218	269	-22%	8
	All other counties	4,132	4,193	4,125	4,101	5,051	-18%	
	State total	8,782	8,656	8,364	8,195	9,493	-7%	

Source: USDA, NASS

Top 10 Counties: Milk Production (Million lb.)



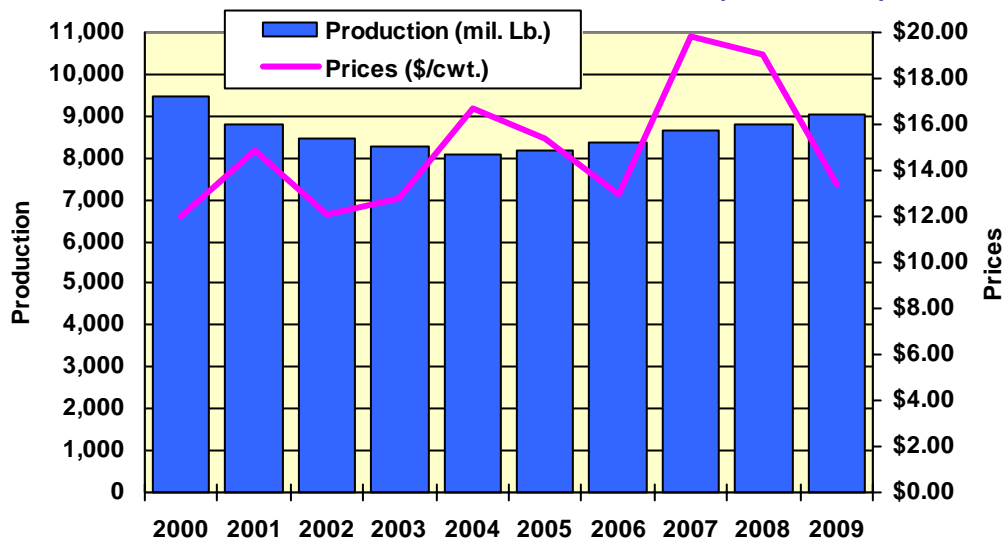
Source: USDA, NASS

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Prices

- In 2009, milk prices received by Minnesota growers averaged \$13.60/cwt., a 30% decrease from \$19.10/cwt. in 2008.
- Milk prices fluctuated wildly from 2000 to 2009, ranging from a low of \$10.70/cwt. (July 2002 and March 2003) to a high of \$22.10/cwt (December 2007).
- As of April 2010, milk prices were reported at \$15.00/cwt., just above the 10-year average point of \$14.88/cwt.

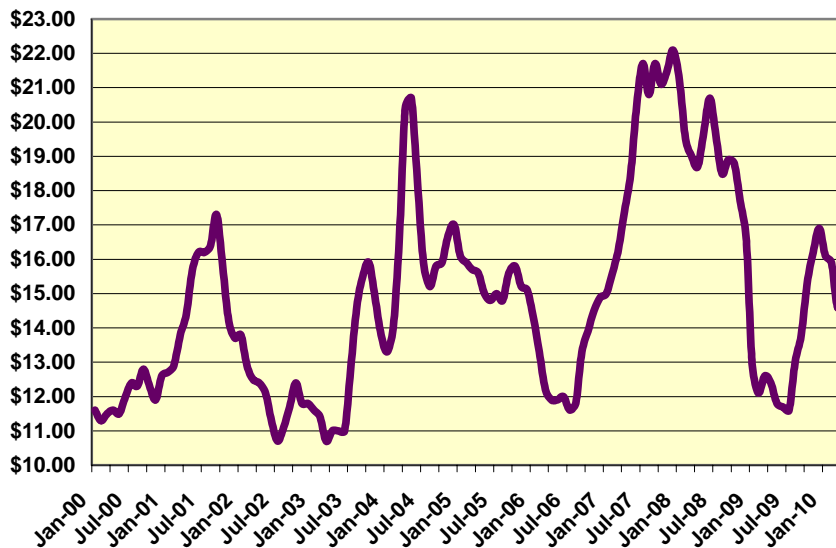
Minnesota Milk Production and Prices (2000-2009)



Source: USDA, NASS

Minnesota Milk Prices - Monthly (2000-2009)

All Milk - Prices Received by Growers (\$/cwt.)



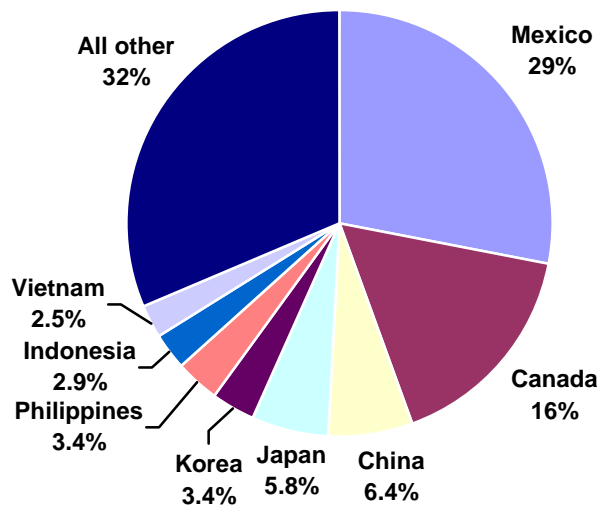
Source: USDA, NASS

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Export

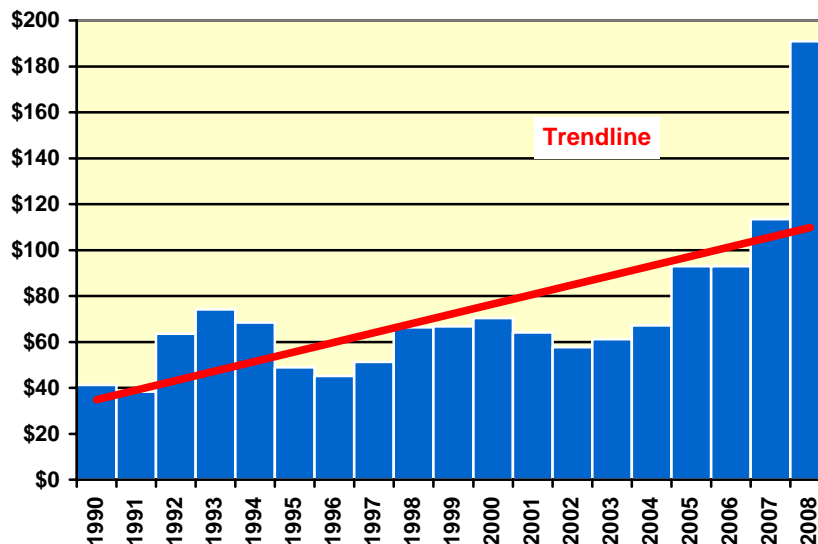
- Minnesota is the fifth largest dairy exporter among all U.S. states.
- In 2008, Minnesota exported \$191 million dairy products, up from \$113 million in 2007, a 69% increase.
- Minnesota's dairy export products include dry and condensed milk (51%), cheese (35%), butter (9%), and frozen dessert (3%).
- Mexico is Minnesota's largest dairy export market, followed by Canada and China.

MN Largest Dairy Export Markets (2008)



Source: USDA-BICO

Minnesota Dairy Export Trend - Million \$



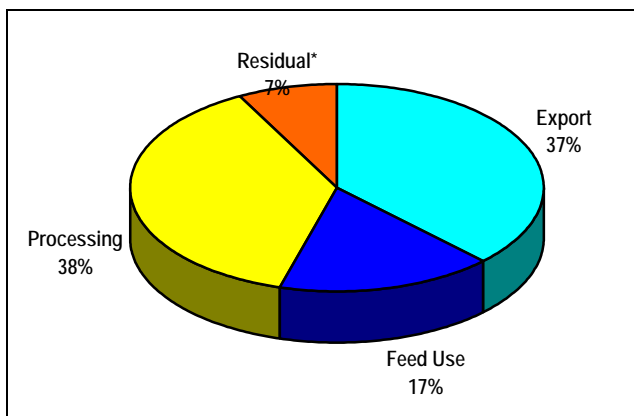
Source: USDA, NASS

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Feed Use by Dairy Production

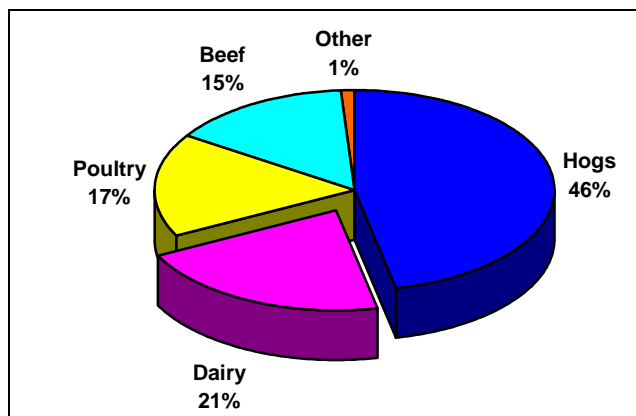
- Dairy production supports crop farming through feed utilization, a significant market for Minnesota's corn and soybean crops.
- In 2009, dairy production consumed 42 million bushels of corn, about 3% of Minnesota's total corn crop.
- Dairy production also consumed 141,600 tons of soybean meal in 2008, about 15% of total soybean meal fed to all livestock.
- Dairy cows are the second largest feed users of corn and third largest feed users of soybean meal in Minnesota.

MN Corn Utilization (2009)



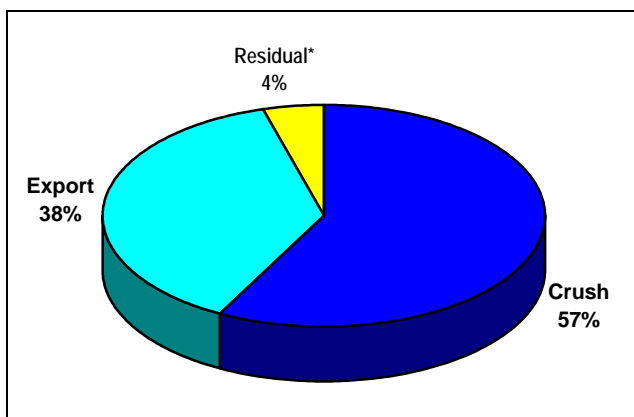
*Residual: all other uses

Corn: Feed Use by Dairy (2009)



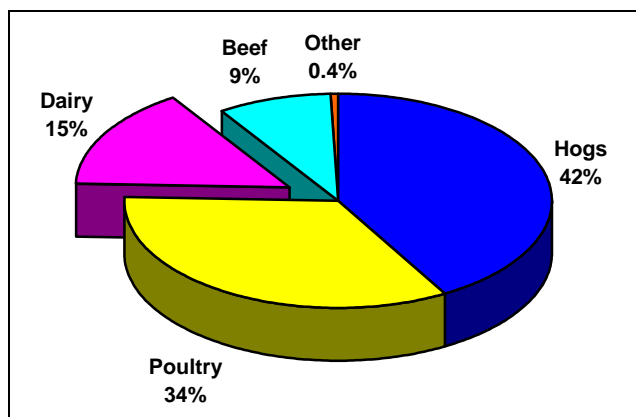
Source: PRX and MDA/AMS

MN Soybean Utilization (2009)



*Residual: all other uses

Soybean Meal: Feed Use by Dairy (2009)



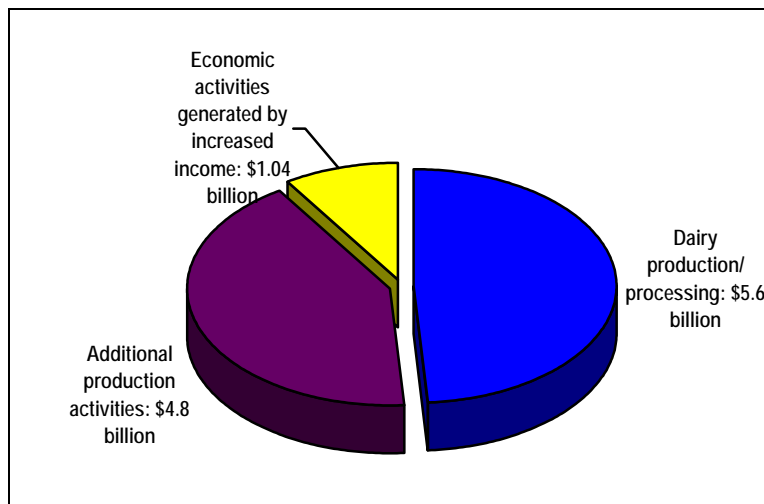
Source: PRX and MDA/AMS

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Economic Impact*

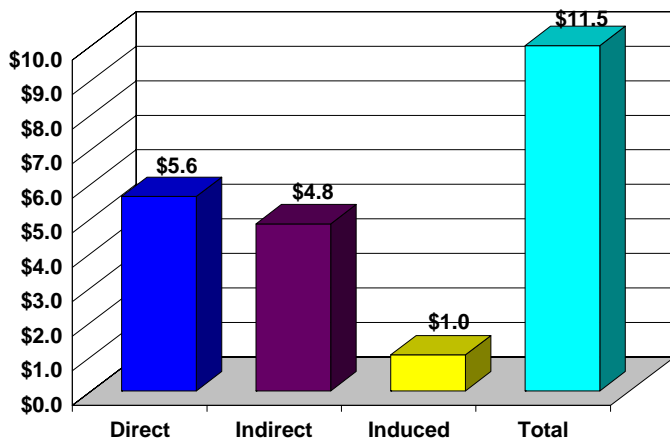
- Minnesota's dairy industry includes both dairy production and processing, with a combined total annual output value of \$5.6 billion.
- Every dollar from dairy production and processing generates about \$2 in state-wide economic activities.
- The multiplier effect of Minnesota's dairy industry to the state economy:
 - Total economic output: \$11.5 billion
 - Total employment: 38,013 jobs.

Output Impact of Dairy Production & Processing: \$11.5 billion

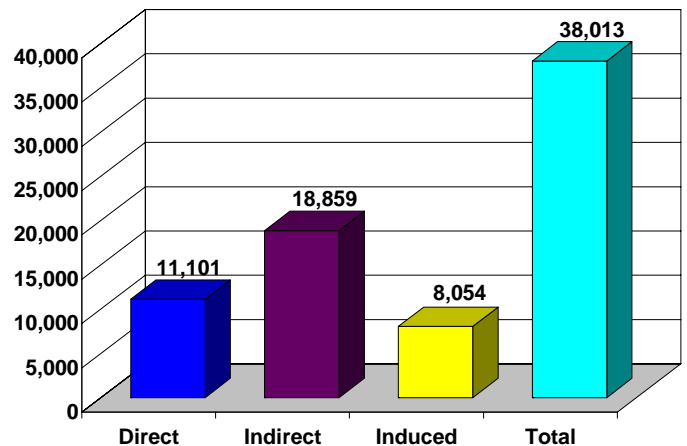


Source: MDA/AMS

Output Impact (Billion \$)



Employment Impact (# of jobs)



Source: MDA/AMS

*Economic impact includes Direct, Indirect, and Induced impacts. **Direct Impact** represents dairy production and processing output. **Indirect Impact** represents the production activities of all other economic sectors related to dairy production and processing. **Induced Impact** represents the additional economic activities generated by the expenditures of new income from the direct and indirect impacts. **Total Impact** is the sum of direct, indirect and induced impacts.



Minnesota Department of Agriculture (MDA)

Our mission is to enhance Minnesotans' quality of life by ensuring the integrity of our food supply, the health of our environment, and the strength of our agricultural economy.

The MDA's **Agricultural Marketing Services Division** (AMS) works to develop and diversify Minnesota's agricultural industries, markets and products through market research, market promotion, education and technical assistance. Division programs focus on developing domestic and international market opportunities for Minnesota producers and marketers.



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